GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2867
ANSWERED ON:02.08.2002
ASSET RECONSTRUCTION FUND
SURESH RAMRAO JADHAV (PATIL)

Will the Minister of FINANCE be pleased to state:

(a) whether the Unit Trust of India has decided to set up an internal Asset Reconstruction Fund (ARF):

(b) if so, details thereof along with its terms of reference; and

(c) the steps taken to improve the Net Asset Values (NAV) of various schemes of UTI?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANT G. GEETE)

(a)&(b) UTI has intimated that it has decided to set up the Asset Reconstruction Fund toacquire the Non Performing Assets of the open-ended schemes of UTI in order to attempt the recovery of the amounts owed to various schemes of the Trust, in a more focused manner. The amount recovered would, after deduction of expenses incurred by the ARF for realization, be transferred to the Schemes from which the assets were originally transferred to the ARF.

c) According to UTI, improvement of Net Asset Values is a function of the state of the market and the ability of fund management. The question of improvement in fund management is being addressed on a continuous basis by Unit Trust of India.